

## Message Text

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C O N F I D E N T I A L ROME 2134

E.O. 11652: GDS

TAGS: PINT, IT

SUBJECT: THE CIA REVEALATIONS: A DAMAGE ASSESSMENT

1. THE CIA REVELATIONS IN ITALY HAVE RECEIVED MORE ATTENTION FROM THE MEDIA THAN ANY OTHER EVENT IN THE MEMORY OF THOSE NOW IN THE MISSION. THE DOCUMENTS AND INFORMATION REPORTEDLY LEAKED FROM THE PIKE COMMITTEE WERE PRECEDED BY PUBLICATION WITH THE HELP OF AGEE AND WEISSMAN) OF THE NAMES OF ALLEGED CIA AGENTS IN THE US MISSION IN ITALY, AND FOLLOWED BY PUBLICITY ON LOCKHEED PAYOFFS, WHICH ARE GENRALY SEEN AS PART OF THE SAME PATTERN. THUS, THE SUBJECT HAS BEEN CONSISTENTLY ON THE FRONT PAGES OF DAILIES, WEEKLIES, RADIO, AND TV FOR ALMOST SIX UNINTERRUPTED WEEKS. AS ANTI-AMERICAN PROPAGANDA, ALL OF THIS PUBLICITY WAS PARTICULARLY EFFECTIVE BECAUSE (A) ALMOST ALL OF THE BASIC INFORMATION CAME FROM USG SOURCES AND (B) THE EXECUTIVE BRANCH WAS NOT IN A POSITION TO ANSWER BACK. AS WITH ALL INTANGIBLES, THE RESULTING DAMAGE IS IMPOSSIBLE TO MEASURE WITH PREVISION. THE FOLLOWING PARAGRAPHS ATTEMPT AN ESTIMATE OF THE EFFECTS ON (A) THE PRESENTLY TROUBLED AND UNSTABLE ITALIAN POLITICAL SCENE AND (B) ON US INTERESTS IN ITALY.

2. EFFECTS ON THE ITALIAN POLIPICAL SCENE: IN THE SHORT-TERM, ITALY FACES LOCAL ELECTIONS IN ROME AND SICILY (PLUS A FEW

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OTHER CITIES) AND, AT SOME TIME BEFORE MAY 1977, ELECTIONS

FOR A NATIONAL PARLIAMENT. THESE OCCUR AT A TIME WHEN THE COMMUNIST PARTY (PCI) IS STRONGER AND THE DEMOCRATIC PARTIES WEAKER THAN AT ANY TIME SINCE WORLD WAR II. INDEED, MANY PREDICT THAT IN THE NEXT ELECTION, THE PCI WILL BECOME THE LARGEST PARTY IN ITALY AND THAT IT MAY THEREAFTER BE IMPOSSIBLE TO FORM AN EFFECTIVE GOVERNMENT WITHOUT PCI PARTICIPATION. SINCE THE BASIC THRUST OF THE CIA REVELATIONS

(WHETHER THE PICTURE PRESENTED WAS TRUE OR NOT) WAS US INTERFERENCE AND MANIPULATION OF VARIOUS LEADERS OF THE NON-COMMUNIST PARTIES, THE EFFECT HAS BEEN ONE OF DAMAGE TO THE DEMOCRATIC PARTIES AND OF BENEFIT TO THE PCI, WHOSE HONEST, CLEAN-CUT IMAGE REMAINS UNIMPAIRED. SINCE THE TWO SETS OF ELECTIONS ARE SCHEDULED IN THE IMMEDIATE AND NEAR FUTURE, THEY WILL OCCUR WHILE THESE REVELATIONS ARE STILL FRESH IN THE MINDS OF THE ELECTORATE - AND WE CAN RELY ON THE LEFTIST PRESS TO HELP KEEP THEM FRESH.

3. THESE EVENTS ARE LIKELY TO HAVE THEIR STRONGEST IMPACT ON THE YOUNG, FOR WHOM THEY CAN BE A CONFIRMATION OF WHAT COMMUNIST PROPAGANDA HAS BEEN TELLING THEM ALL OF THEIR YOUNG LIVES: THAT AMERICA IS A REACTIONARY, IMPERIALIST COUNTRY THAT HAS LONG SINCE FORGOTTEN THE IDEALS OF LIBERTY AND DEMOCRACY ON WHICH IT WAS FOUNDED. THESE VOTING YOUTH (UNDER 30, APPROXIMATELY 17 PERCENT OF THE VOTING POPULATION) HAVE LITTLE OR NO RECOLLECTION OF AMERICA AS THE LIBERATOR IN WORLD WAR II OR OF EUROPE'S FRIEND-IN-NEED WITH THE MARSHALL PLAN. THEY CAN AND DO ASK THEIR ELDERS WITH GENUINE ASTONISHMENT HOW THEY COULD HAVE LIKED, ADMIRER, AND BEEN GRATEFUL TO AMERICA IN THE EARLY POST-WAR PERIOD. THEY ARE A GENERATION RAISED TO A LARGE EXTENT ON COMMUNIST PROPAGANDA VIA MARXIST TEACHERS. THEY ARE, PARTICULARLY IN THE URBAN AREAS, OVERWHELMINGLY ANTI-AMERICAN. AND NATURALLY, WITH THIS PICTURE OF AMERICA, THEY ARE CERTAIN TO BE STRONGLY ANTI-THOSE REVEALED TO HAVE BEEN OUR FRIENDS AND THE RECIPIENTS OF ASSISTANCE FROM THE CIA. THE IMPACT ON YOUTH IS LIKELY TO HAVE THE MOST DAMAGING EFFECT ON THE ITALIAN POLITICAL SCENE, PRIMARILY BECAUSE IT IS LIKELY TO BE LONG-LASTING AND BECAUSE THE ITALIAN VOTING PATTERNS OF THE NEXT DECADE WILL BE SET BY THOSE WHO ARE NOW UNDER 30.

4. WITH THAT PART OF THE POPULATION OVER 30, THE IMPACT OF THE REVELATIONS IS APT TO BE LESS STRONG AND TO ATTENUATE WITH CONFIDENTIAL

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THE PASSAGE OF TIME. WITH THIS GROUP, VOTING PATTERNS ARE RELATIVELY STABLE AND THEY HAVE LEARNED TO HAVE RELATIVELY LOW LEVEL OF MORAL OUTRAGE FOR POLITICAL CORRUPTION. ITALY'S POLITICAL HISTORY FOR THE PAST 1,000 YEARS HAS LED THEM TO EXPECT POLITICIANS AND GOVERNMENTS TO BE CORRUPT, DISHONEST, AND INEFFICIENT. THEY ARE THEREFORE NOT SURPRISED TO LEARN THAT THE CIA HAS BEEN ACTIVE IN ITALY OR THAT ITALIAN POLITICIANS ACCEPTED MONEY FROM IT. SOME WILL, PARTICULARLY IN THE IMMEDIATE FUTURE,

VOTE AGAINST THOSE POLITICIANS AND THEIR PARTIES OUT OF A SENSE OF MORAL OUTRAGE -- BUT WE ARE INCLINED TO BELIEVE THAT THE PERCENTAGE THAT DOES SO WILL BE RELATIVELY SMALL.

5. EFFECT ON US INTERESTS: AT LEAST FOR THE IMMEDIATE FUTURE, THE US APPEARS TO HAVE LOST A GOOD DEAL OF THE (ALWAYS IMMEASURABLE, BUT NONETHELESS GREAT) INFLUENCE THAT IT USED TO HAVE IN ITALY. SINCE THE REVELATIONS STARTED IN DECEMBER, NO PUBLIC FIGURE HAS PUBLICLY DEFENDED US, ALTHOUGH SEVERAL PAPERS HAVE TRIED TO PUT THE STORY IN A LESS DAMAGING PERSPECTIVE. SOME OF THE LEFTIST PRESS (ROME 1146)

AND SOME POLITICIANS AVOID PUBLIC CONTACT WITH US. PRESUMABLY TO AVOID ANY SUSPICION BEING DIRECTED TOWARD THEM. SOME POLITICAL LEADERS, WITH ESTABLISHED CONTACTS WITH THE EMBASSY, HAVE BEEN HARD TO REACH. THE ALMOST UNENDING STREAM OF REQUESTS FROM VARIOUS ELEMENTS OF THE COMMUNITY FOR OVERT HELP WITH A WIDE VARIETY OF PROJECTS HAS ALMOST COMPLETELY DRIED UP. OUR FRIENDS FIND IT DIFFICULT TO UNDERSTAND HOW WE CAN DAMAGE OURSELVES SO GREATLY, AND IN THE PROCESS CRIPPLING LONG-STANDING ALLIANCE RELATIONSHIPS. OTHERS RESENT WHAT THEY SEE AS OUR TENDENCY TO TREAT ITALY AS A "BANANA REPUBLIC" (E.G., LINKING ITALY AND ANGOLA). MUCH OF THIS WILL OF COURSE PASS WITH TIME, SOME OF IT RELATIVELY QUICKLY. AND AMERICA WILL AGAIN BE LISTENED TO BECAUSE IT IS A LARGE, RICH, AND POWERFUL COUNTRY.

BUT AMERICA'S IMAGE AS A SYNONYM FOR LIBERTY AND DEMOCRACY HAS BEEN BADLY BESMIRCHED, AS A RESULT OF WHICH WE HAVE LOST SOMETHING OF GREAT VALUE (IN TERMS OF OUR INFLUENCE IN ITALY) WHICH WE ARE NOT LIKELY TO RECOVER IN THE IMMEDIATE FUTURE. THIS IS PARTICULARLY TRUE OF THE DOCUMENTS SHOWING A RELATIONSHIP BETWEEN THE USG AND GENERAL MICELI, WHO IS WIDELY REGARDED AS A NEO-FASCIST (AND IS UNDER INDICTMENT IN CONNECTION WITH THE RIGHT WING COUP ATTEMPT IN 1970). PRESENT-DAY ITALY HAS AN INTENSE PREOCCUPATION WITH FASCISM THAT IS DIFFICULT

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FOR OUTSIDERS TO UNDERSTAND. "DEMOCRATIC" AND "ANTI-FASCIST" ARE SYNONYMS IN CURRENT ITALIAN POLITICAL JARGON, AND "FASCIST" IS ONE OF THE WORST INSULTS POSSIBLE. BY PUBLICLY LINKING OURSELVES TO A REPUTED FASCIST, ACCUSED OF INVOLVEMENT IN AN ATTEMPT TO OVERTHROW THE GOVERNMENT, WE HAVE GIVEN OUR ENEMIES A PARTICULARLY HEAVY CLUB WHICH THEY WILL CERTAINLY NOT HESITATE TO USE ON US, FOR YEARS TO COME.

6. IN SUMMARY, THE SHORT-TERM US INFLUENCE HAS BEEN SERIOUSLY ERODED AND SOME (ESPECIALLY THE YOUNG) ARE LIKELY TO VOTE AGAINST THE DEMOCRATIC PARTIES WE HAVE HELPED IN THE PAST. MUCH OF THIS IS LIKELY TO WEAR OFF IN THE LONGER TERM, BUT THE SPEED WITH WHICH THIS PROCESS WILL TAKE PLACE WILL DEPEND DIRECTLY ON US POLICIES AND ACTION. THE PCI WILL CLEARLY BENEFIT IN THE SHORT-TERM. THE DEGREE TO WHICH IT CAN TURN THIS TO A LONG-

TERM ADVANTAGE IS MORE DIFFICULT TO ASSESS BUT, AT LEAST IN  
PART, WILL VARY INVERSELY WITH THE ABILITY OF THE US  
TO RECOVER ITS POSITION.VOLPE

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